

§ 54-54. Restrictions.

All mortgage obligations acquired by the company shall be subject to the following restrictions:

- (1) Each such mortgage shall be a first and valid lien upon improved or partially improved agricultural lands within the State of North Carolina;
- (2) Each such mortgage shall be a first and valid lien upon the whole and undivided fee and upon no lesser estate;
- (3) Each such mortgage shall be given to secure a principal indebtedness not exceeding in amount fifteen percent (15%) of the capital and surplus of the company;
- (4) All such mortgages shall contain provisions for soil conservation;
- (5) All such mortgages shall contain provisions for the time of commencing payments for annual or semiannual reduction of the indebtedness secured thereby, subject to the requirements as to repayment of loans and interest hereinafter provided;
- (6) The company shall make no loan secured by mortgage of any real estate in which any officer or trustee of the company is interested either directly or indirectly, except upon the approval of two thirds of all the trustees;
- (7) A sufficient amount of the proceeds of any loan made upon lands upon which are buildings in course of construction or upon which land clearing or other improvements are being made shall be retained by the association and paid out only upon construction or improvement vouchers, countersigned by a duly authorized agent of the association. (1925, c. 223, s. 6.)